



PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

Stock code:1820

2020 Annual Results



Review of 2020 Annual Results

2020 Industry Overview

- Global economic downturn
- COVID-19 outbreak worldwide
- Rapid development of e-commerce brings increased demand
- Growth of domestic demand for certain necessities
- growing per capita income in the Mainland China

Results Highlights

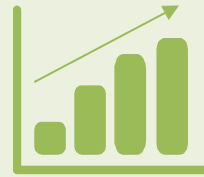
Total Revenue
approximately
RMB2041.6
million



Net Profit

↑ **2.9%**

approximately RMB78.4 million



Net Profit Margin

3.8%

increase of

approximately 0.1 percent point



Gross Profit
approximately
RMB380.7
million



**Basic earnings per
share RMB 0.26**



The Shandong Plant was
given a production permit
in November 2020 and the
Foshan Plant's construction
is expected to be completed
in July 2021





Corrugated Packaging Products – Main Source of Revenue

- Corrugated packaging products are still the major revenue contributor, accounting for approximately 91.4% of the Group's total revenue

- Corrugated sheet boards
- Corrugated packaging products

Corrugated packaging products

Corrugated boxes



Corrugated pallets



Corrugated display stands



Heavy duty packaging products

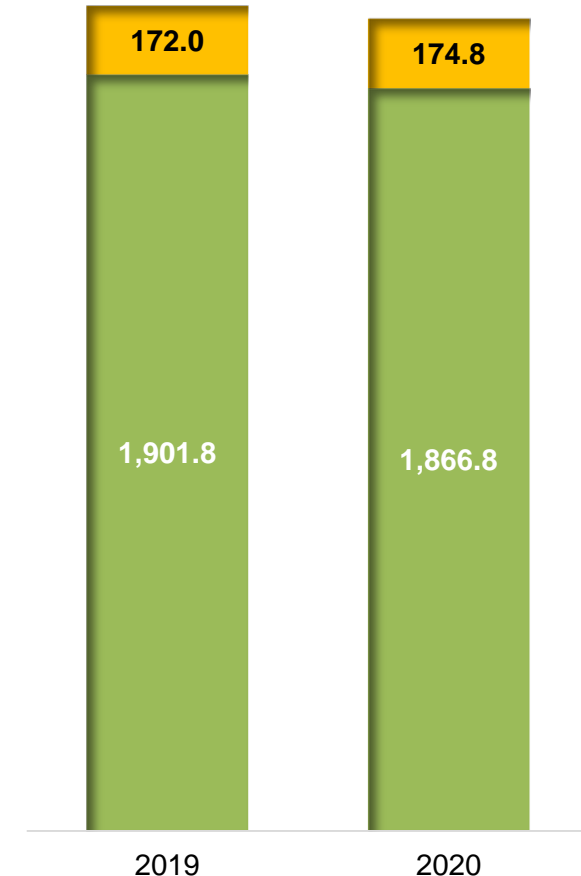


Corrugated sheet boards

Corrugated sheet boards



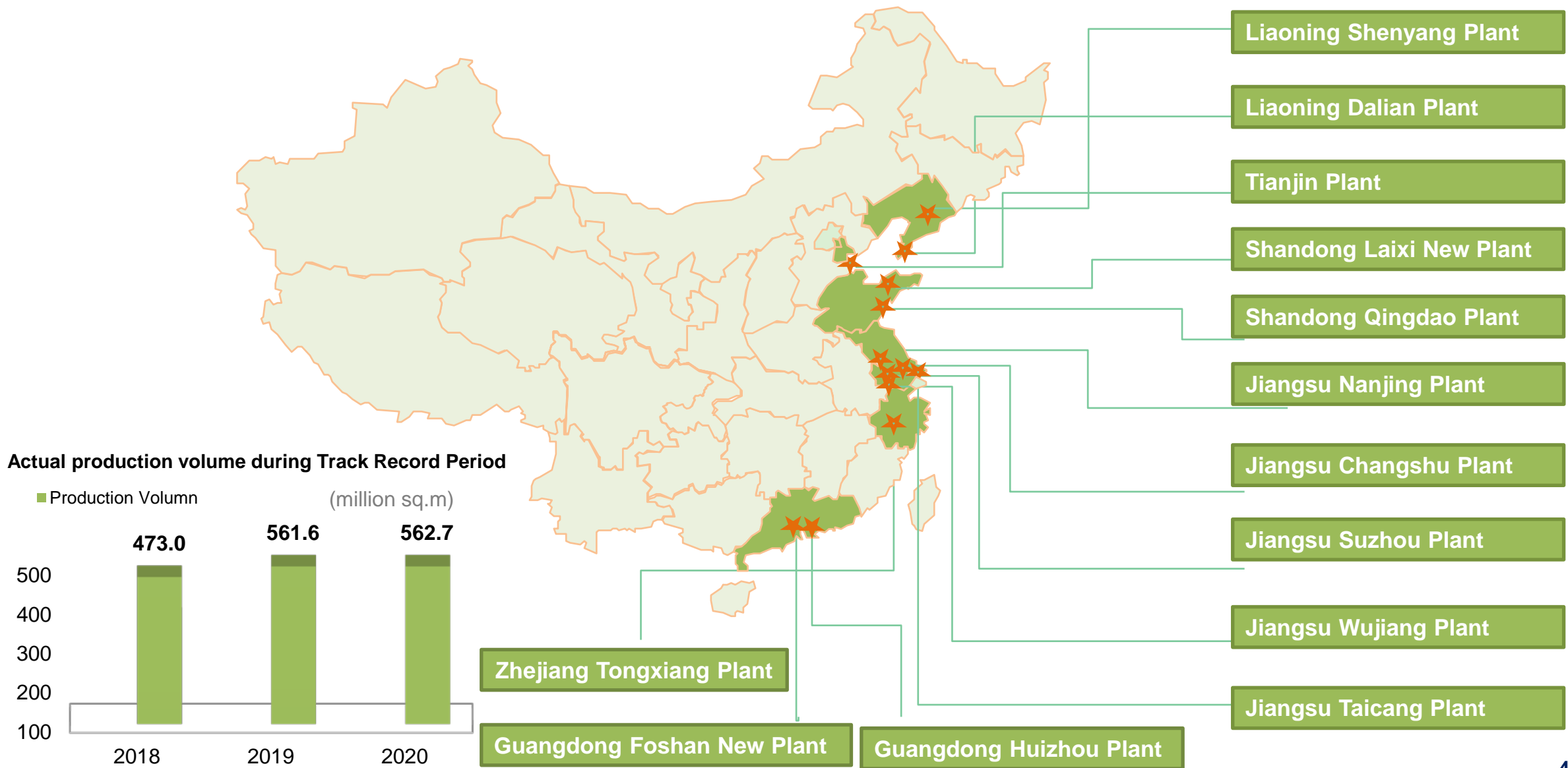
(RMB Million)





Extensive Geographic coverage of Production Plants

All of the Production plants Record Stable Growth



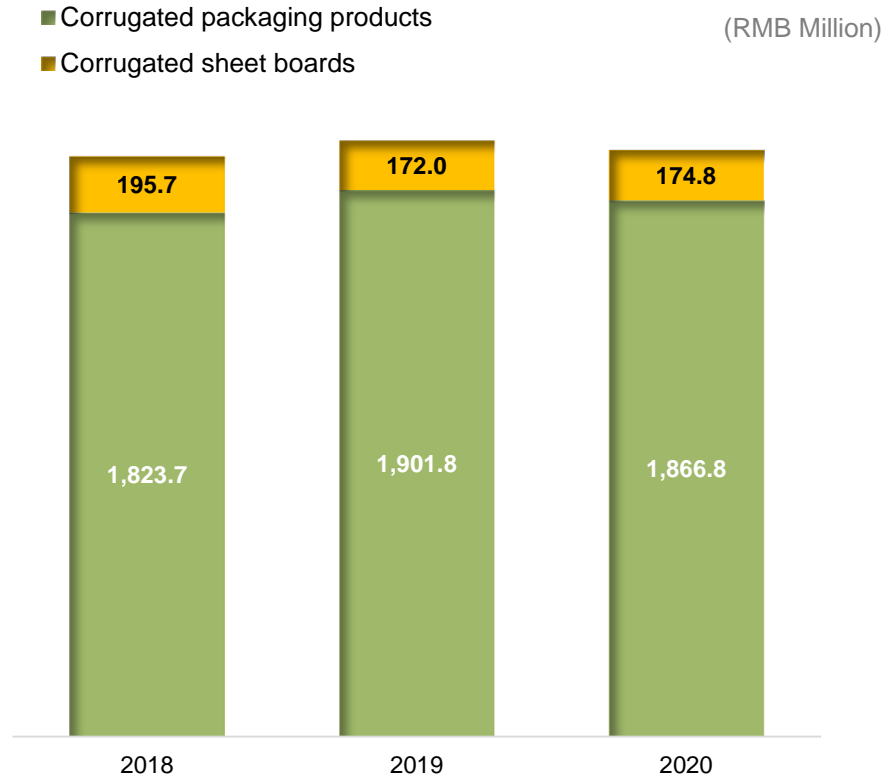


Financial Review

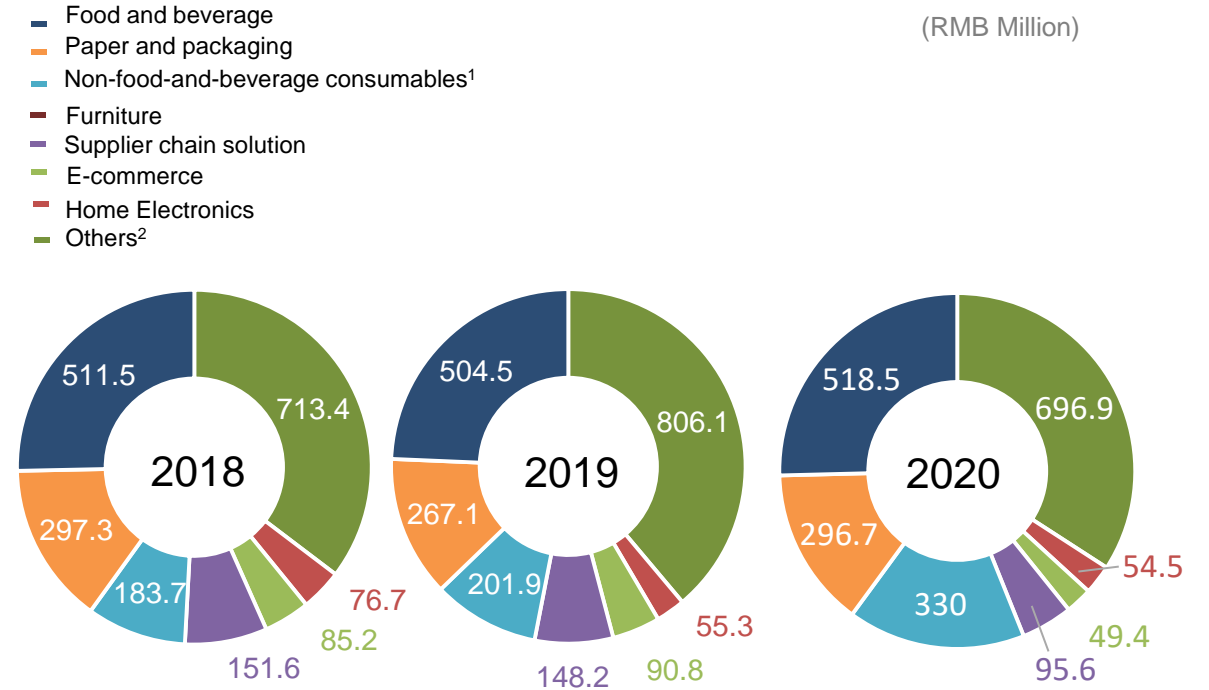


Steady Profitability

Revenue by products



Revenue by customers' industry



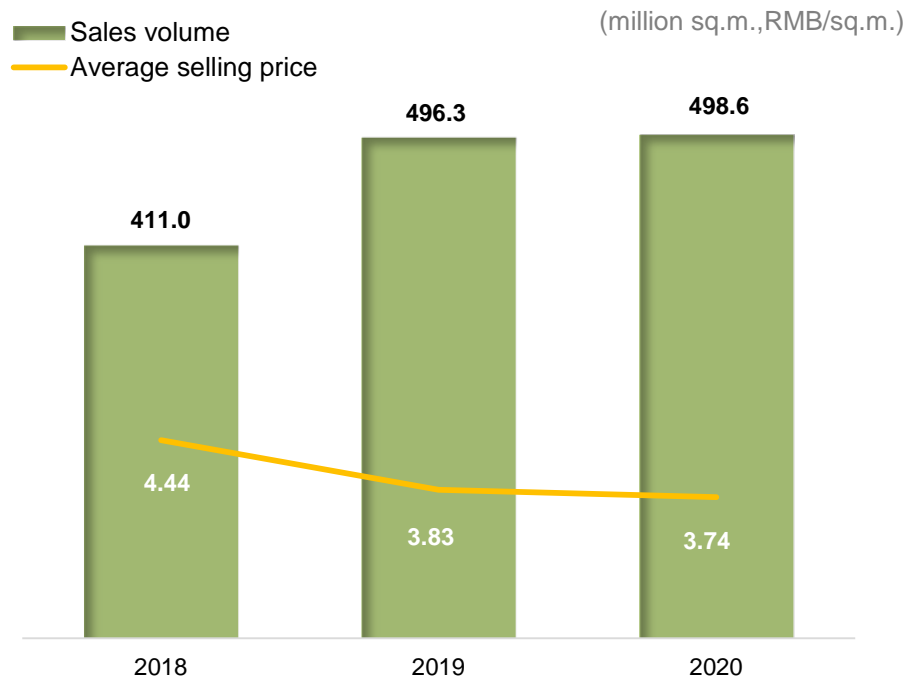
Note: 1. Non-food-and-beverage-consumables include, but not limited to, daily household products such as shampoo, detergent, skin care products

2. Others include home furniture, computer and electronic device such as mobile phones, cameras, textile, machinery, medical products, etc.

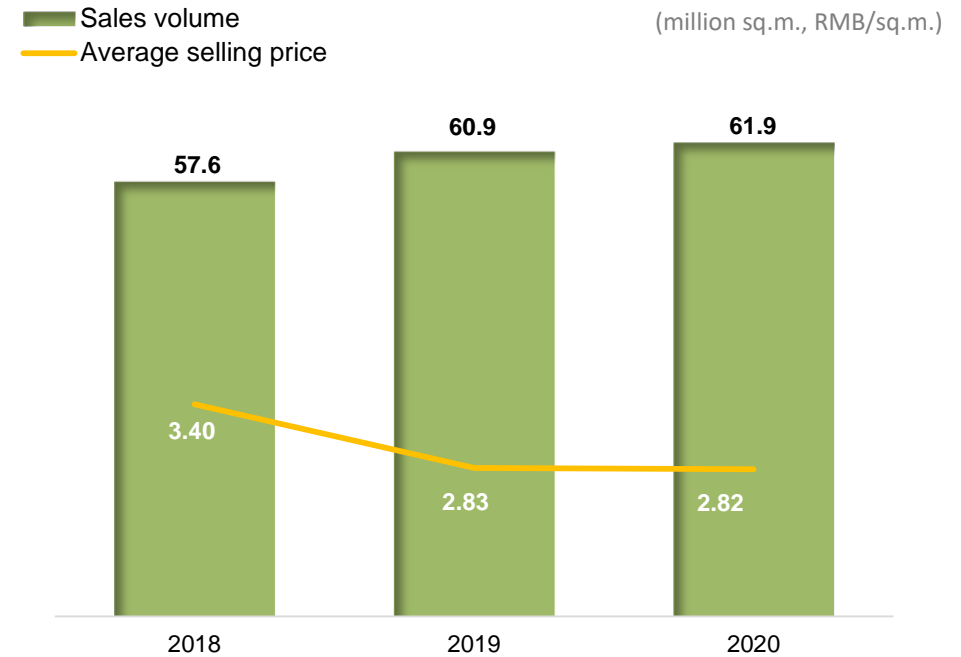


Steady Profitability (Cont')

Sales volume and average selling price of corrugated packaging products



Sales volume and average selling price of corrugated sheet boards

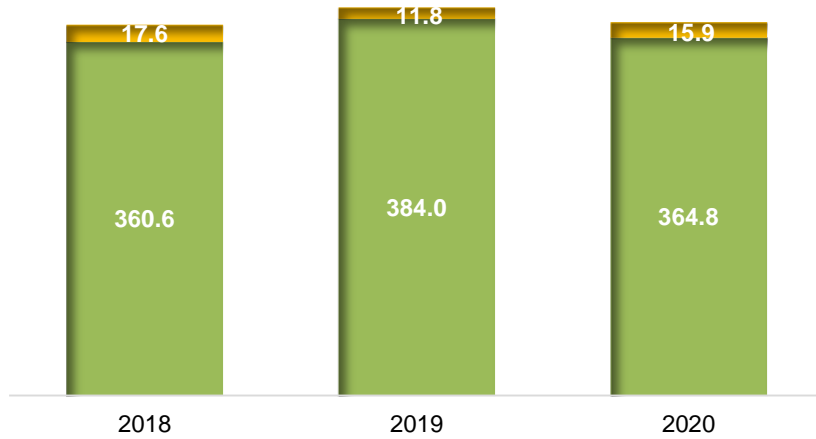




Steady Profitability (Cont')

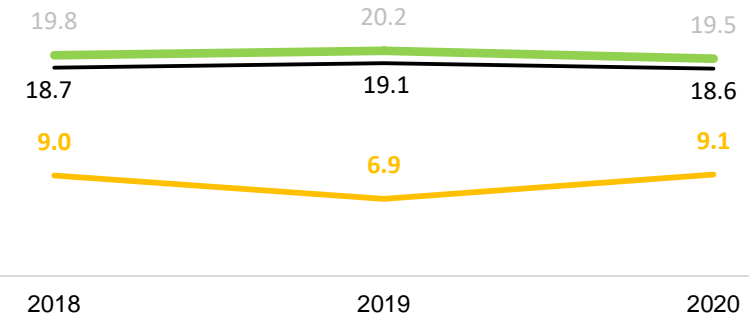
Gross profit by products

■ Corrugated packaging products
■ Corrugated sheet boards (RMB Million)



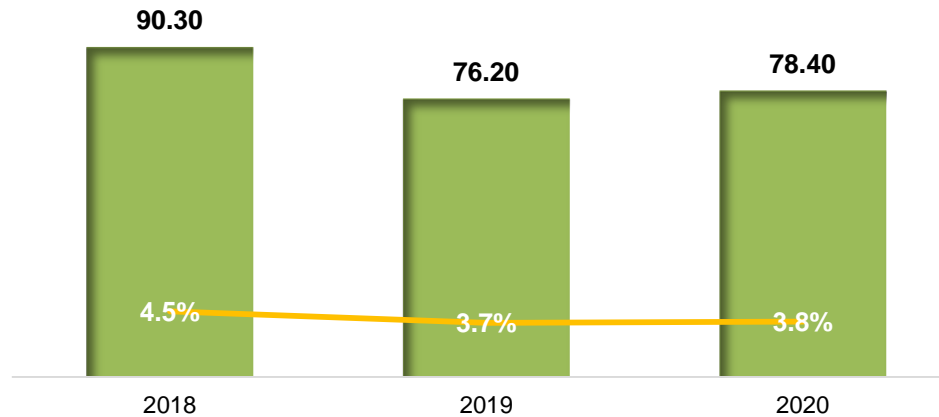
Gross profit margin by products

— Corrugated packaging products
— Corrugated sheet boards
— Total



Net profit and net profit margin

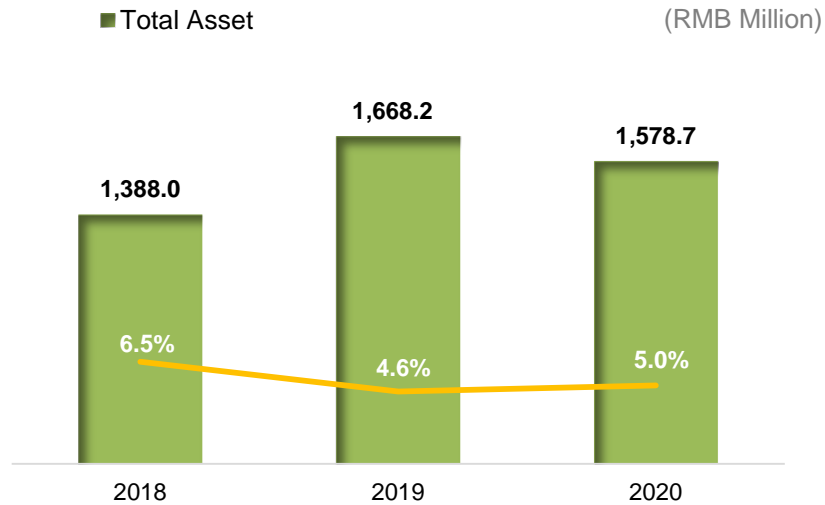
■ EBIT
— EBIT/Revenue (RMB Million)



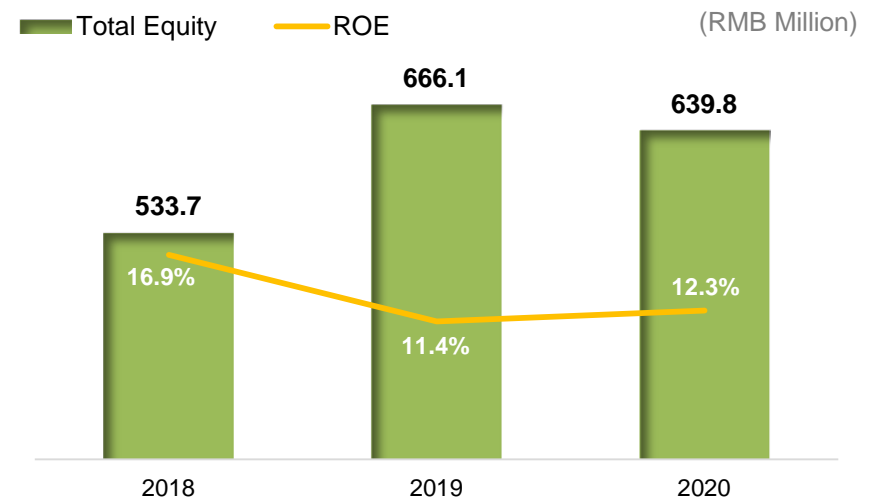


Healthy Capital Structure and Financial Position

Total asset and ROA



Total equity and ROE



Financial Ratios (%)

	2018	2019	2020
Current ratio	1.28	1.24	1.27
Quick ratio	1.14	1.05	1.03
Gearing ratio	0.75	0.91	0.72
Debt to equity ratio	0.07	0.45	0.56
Interest coverage ratio	5.42	4.38	4.98



Future Development



Take Appropriate Steps to Cope with the Changing Demand of the Market





Expand Network of Production Plants and Service Radius Coverage to Further Enhance Geographical Coverage and Market Penetration

Expand production capacity strategically and service radius

Existing production plants

12
No. of plants

735
Million sq.m.
Production capacity



Location	Status of expansion/ Expected time of completion	Expected date of commencement of production	Sources of capital	Expected production capacity
Guangdong, Foshan	Commenced in October 2020/ July 2021	2021 Q3	Global offering	6 million sq.m./ month
Anhui, Chuzhou	Commenced in September 2021/ June 2022	2022 Q3	Equity capital	9 million sq.m./ month

Strict site selection for new plants



- Business potential in the relevant coastal regions



- Whether they are complementary to existing production plants/markets



- Geographical distance from target customers (i.e. within 150km radius from their production bases)



- Estimated orders from existing customers in the region



- Building /leasing contracts with at least 15 years leasing term



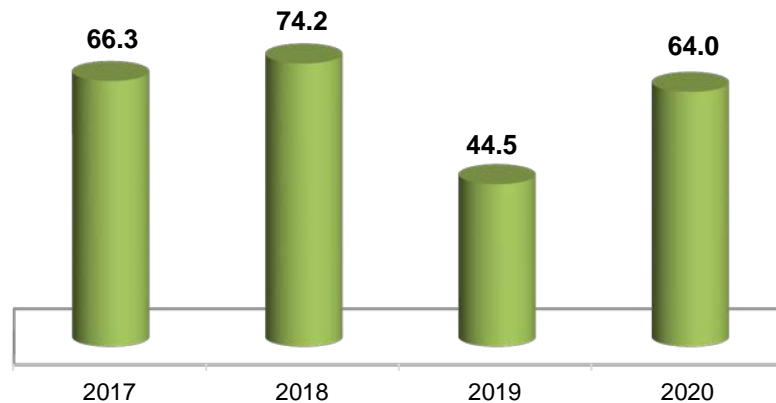
Upgrade Production Facilities and Purchase New Machinery and Equipment Enhance Intelligence Level to Boost Production Efficiency (Cont')

Advanced production equipment and preventive maintenance system improve the efficiency and profitability

- Major machinery and equipment are purchased in the PRC, Japan, Taiwan and Germany
- 63** maintenance personnel and technicians responsible for routine inspections and maintenance of production machinery and equipment to maintain their optimum performance

Capital expenditure on upgrading and purchasing machinery and equipment during Track Record Period

(RMB Million)



1800 mm corrugator
1 unit

2200 mm corrugators
9 units

2500 mm corrugators
2 unit



Flexographic printers
50 units
(11 units are Flexo folder gluer in-line systems)



Auto folder gluers
25 units



Auto platen die-cutters
16 units



Upgrade Production Facilities and Purchase New Machinery and Equipment Enhance Intelligence Level to Boost Production Efficiency (Cont')

Enhance level of automation and intelligence by upgrading production facilities and purchasing new machinery and equipment



Flexo folder gluer in-line systems

- Integrate the printing, folding and gluing production processes of corrugated packaging products



Robot Auto-stacking system



Automatic Paper Roll Mounting & Returning System



Automatic Board Transporting Conveyor System



Finished Goods Barcode Management System for Warehouse Management



AGV Forklift for Finished Goods Storage



Automatic Weighting & Barcode Printing System for Paper Rolls



Automatic Floor Cleanser





Deepen Strategic Cooperation with Key Customers





Thank you!